



State of Tennessee

Health Services and Development Agency

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AGENDA

Legislative Plaza

Room 31

Sixth Avenue North & Union Street

Nashville, TN

Wednesday, June 25, 2014

8:30 a.m. CDT

- I. CALL TO ORDER
- II. ROLL CALL
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES
- V. STATE HEALTH PLAN UPDATE
 - A. Update: Jeff Ockerman, Director of Health Planning, Department of Health
- VI. CONSENT CALENDAR APPLICATION
 - A. The Health Center of Hermitage, Hermitage (Davidson County), TN — CN1404-011
The change of site/relocation for an approved but unimplemented certificate of need (CN1306-022A) for a 90* bed Medicare-certified nursing home from an unaddressed 13 acre site at Bell Road near Woodland Point Road and Couchville Pike in Nashville (Davidson County), Tennessee to a new site containing approximately 14.02 acres at 4214 Central Pike in Hermitage. The new site is a distance of approximately five (5) miles. The estimated project cost is \$19,241,697.00.

*These beds are not subject to the 2013-2014 Nursing Home Bed Pool.
- VII. CERTIFICATE OF NEED APPLICATIONS
 - A. SBH-Kingsport, LLC, Kingsport (Sullivan County), TN — CN1312-050
Establishment of a new 72-bed mental health hospital and the initiation of inpatient psychiatric services. The hospital will contain 18 adult, 16 geropsychiatric, 28 child and adolescent, and 10 chemical dependency beds. The facility will be located at an unaddressed site at the end of Executive Park Boulevard. The estimated project cost is \$11,717,915.00.

Opposition: Village Behavioral Health; Woodridge Psychiatric Hospital; Frontier Health; J. Wayne Anderson, Sullivan County Sheriff, Terry C. Borel, M.D.; East Tennessee State University (ETSU) Academic Health Sciences Center and James H. Quillen College of Medicine

- B. Wharton Nursing Home, Pleasant Hill (Cumberland County), TN — CN1403-006
A construction/renovation project that will relocate 31* of the existing 62 dually certified nursing home beds to an adjacent building on the campus of Uplands Village, a continuing care retirement community. The 31 beds will be relocated from an existing building at 878-880 West Main Street to 55 West Lake Road which is where Wharton Nursing Home was previously located. All 62 beds will be operated under the same license. The estimated project cost is \$5,100,000.00.
*These beds are not subject to the 2013-2014 Nursing Home Bed Pool.
- C. Dyersburg Regional Medical Center, Dyersburg (Dyer County), TN — CN1403-007
The expansion of cardiac catheterization services to include interventional (therapeutic) cardiac catheterization procedures. Catheterization services are currently limited to diagnostic-only. The estimated project cost is \$367,763.00.
Opposition: Jackson-Madison County General Hospital
DEFERRED TO JULY 2014
- D. West Tennessee Imaging d/b/a Outpatient Diagnostic Center of Memphis, Memphis (Shelby County), TN — CN1403-008
Establishment of an outpatient diagnostic center (ODC), acquisition of MRI equipment, and initiation of MRI services in 8,258 SF of space at 7600 Wolf River Blvd. Other diagnostic services to be provided include CT, X-ray, and ultrasound. This project will not add additional capacity to the market because a new joint venture has been established to own the ODC, which will in effect relocate an existing ODC with MRI from 5130 Stage Road, a distance of 10 miles. The existing facility will relinquish its license and cease MRI services once this facility is operational. The estimated project cost is \$10,123,989.00.

VIII. GENERAL COUNSEL'S REPORT

- A. The Health Center of Nashville, Nashville (Davidson County), TN — CN1107-024AME
Request for modification by eliminating shelved space and associated connective space which will result in a reduction in total project cost. The total space will be reduced 7.8% from 77,408 SF to 71,362 SF. The total cost will be reduced 6.4% from \$21,512,150 to \$20,129,450. All 90 beds will remain as private beds. However, 8 of the 90 beds will be in companion rooms which consists of 2 private rooms connected to a common area with a full bathroom.
The project was approved on September 28, 2011 with an estimated project cost of \$23,894,100. On October 23, 2013, the Agency granted an 18-month extension of the expiration date from November 1, 2014 to May 1, 2016 and modifications related to reductions in square footage, project cost, and changes in the footprint of the facility.
- B. NHC/Maury Regional Transitional Care Center, Columbia (Maury County), TN — CN1307-025A
Request for a transfer of ownership of the CON from NHC-Maury Regional Healthcare, LLC (a Tennessee liability company) to NHC-Maury Regional Transitional Care, LLC (a Delaware limited liability company). This transfer will not result in any change to the project or affect the ability of the project to be completed. The ultimate ownership of NHC/OP, L.P. (80%) and Maury Regional Medical Center (20%) will not change.
The project was approved on October 23, 2010 with an estimated project cost of \$18,161,672.
- C. Saint Thomas Hospital, Nashville (Davidson County), TN — CN1110-037A
Request for modification of the size and scope of the project because Saint Thomas Health is merging service lines across its two Nashville campuses. The modifications will reduce the estimated project cost to \$95,780,000, which is a reduction of \$15 million.
- 1) Operating Rooms - Four new orthopedic operating rooms will be deleted with an estimated cost reduction of \$5.5 million;

- 2) New Construction and Renovation - Three floors in the new patient tower will be eliminated which will result in a reduction of 77,687 SF of new construction. An additional 32,400 SF will be renovated on the 3rd floor of the existing K-Tower, increasing the total renovated space to 121,534 SF which will result in a cost reduction of \$5.05 million.
- 3) Redesign - The remainder of the project will be redesigned to improve building efficiency; shell space for future expansion will be eliminated; and additional spending on elevator and other infrastructure systems will be reduced for a cost savings of approximately \$4.4 million.

The project was approved on January 25, 2012 with an estimated project cost of \$110,780,000.

- D. Hemophilia Preferred Care of Memphis, Memphis (Shelby County), TN — CN1201-002A
Request for a twelve (12) month extension of the expiration date from August 1, 2014 to August 1, 2015 due to its difficulty in obtaining licensure as a home health agency because of its narrow scope of services.

The project was approved on June 27, 2012 for the establishment of a home care organization to provide home health services limited to the pharmacy patients of Hemophilia Preferred Care, Inc. of Memphis with hemophilia or similar blood disorders. The certificate of need limited the agency to patients with hemophilia or similar blood disorders which include Von Willebrand disease, hypoprothrombinemia, and dysfibrinogenemia. The estimated project cost was \$43,000.

- E. Johnson City Medical Center, Johnson City (Washington County), TN — CN1106-021A
Request for a six (6) month extension of the expiration date from November 1, 2014 to May 1, 2015 to complete the linear accelerator installation process.

The project was approved on September 28, 2011 for renovations and expansion of the current radiation oncology department in the hospital's main campus building with an estimated project cost of \$14,999,924.

- F. Interventional Pain Physicians Surgery Center, Smyrna (Rutherford County) TN – CN1201-001A
Request for modification due to a 760 SF increase in project size and a cost overrun of \$197,062.

The project was approved on April 25, 2014 for the establishment of a single specialty Ambulatory Surgical Treatment Center (ASTC) limited to pain management with an estimated project cost of \$844,622. The facility was licensed March 17, 2014 and has been operating since April 2014.

- G. Contested Case Update

IX. OTHER BUSINESS

- A. Agency Determination

Alexian Village Health & Rehab Center, Signal Mountain (Hamilton County), TN – CN1110-042A
Request for an Agency Determination that the Certificate of Need was implemented prior to its expiration date of May 1, 2014.

X. ADJOURNMENT